

CITY OF TROY, NEW YORK

SINGLE AUDIT REPORTS

Year Ended December 31, 2008

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Year Ended December 31, 2008

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CITY OF TROY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended December 31, 2008

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identification Number</u>	<u>Federal Expenditures</u>
Department of Housing and Urban Development/ Community Development Block Grants - Entitlement Grant	14.218	B-00MC-36-0109 and prior years	\$ 2,561,305
Emergency Shelter Grants Program	14.231	S-00MC-36-0007 and prior years	84,941
Community Development Block Grants - Brownfields Economic Development Initiative- Section 108 Loan Guarantees	14.248	B-00-MC-36-0109	3,000,000
Community Development Block Grants - Section 108 Loan Guarantees	14.248	B-87-MC-36-0109	243,000
City of Schenectady/ HOME Investment Partnerships Program	14.239	B-00MC-36-0510 and prior years	778,157
			<u>6,667,403</u>
Department of Justice Drug Enforcement Administration/ Federal Equitable Sharing Program	16.***	N/A	344,669
Department of Justice/ New York State Department of Criminal Justice Services/ Juvenile Accountability Block Grants	16.523	JJ07-1113-E00	165,570
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	C441602, C443700	85,336
Edward Byrne Memorial Formula Grant Program	16.579	C078736, C484012	401,279
Community Capacity Development Office	16.595	2007-WS-Q7-0055, 2007-WS-Q7-0137	166,365
Bulletproof Vest Partnership Program	16.607	OMB #1121-0235	2,076
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2005-DJ-BX-1488, 2005-DJ-BX-0705, 2005-DJ-BX-1125	32,039
			<u>852,665</u>
Department of Transportation/ New York State Department of Transportation/ Highway Planning and Construction	20.205	NYS-PIN-various	836,789
Recreational Trails Program	20.219	1754.52.121, 1755.66.321	319,781
			<u>1,156,570</u>
Department of Transportation National Highway Traffic Safety Administration/ New York State Governor's Traffic Safety/ State and Community Highway Safety	20.600	PT 4202173, TR 4202181	14,245
Safety Belt Performance Grants	20.604	PT4202191	5,740
			<u>19,985</u>
Department of Homeland Security/ Assistance to Firefighters Grant	97.044	EMW-2007-FO-09803	366,331
New York State Emergency Management Office/ Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	97.050	N/A	24,575
New York State Office of Homeland Security/ Homeland Security Grant Program	97.067	C835454	11,446
			<u>402,352</u>
			<u>\$ 9,443,644</u>

N/A - Pass-through number not available from pass-through entity.

See accompanying Notes to Schedule of Expenditures of Federal Awards, Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 on Schedule of Expenditures of Federal Awards.

CITY OF TROY, NEW YORK

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended December 31, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *General*

The accompanying Schedule of Expenditures of Federal Awards presents all federal awards programs of the City of Troy, New York (City) for the year ended December 31, 2008. The City is defined in Note A to the statutory basis financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the Schedule of Federal Expenditures of Federal Awards.

2. *Basis of Accounting*

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting used by the City in reporting these programs to the federal government.

3. *Relationship to Statutory Basis Financial Statements*

Federal awards revenues are reported in the City's statutory basis financial statements as federal aid. The City's fund financial statements are presented using the modified accrual basis of accounting.

NOTE B - NON-CASH ASSISTANCE

The City had no federal awards expended in the form of non-cash assistance during the year ended December 31, 2008.

NOTE C - LOANS AND LOAN GUARANTEES

The City had \$3,243,000 of loans outstanding to the Department of Housing and Urban Development related to the Brownfields Economic Development Initiative and Section 108 as of December 31, 2008.

NOTE D - INSURANCE

The City did not participate in any federal insurance programs during the year ended December 31, 2008.

NOTE E - SUBRECIPIENTS

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the City provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Emergency Shelter Grants Program	14.231	\$ 84,941
Community Development Block Grants - Entitlement Grant	14.218	\$ 82,355

CITY OF TROY, NEW YORK
SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2008

Financial Statement Findings

No matters were reported.

Federal Award Findings and Questioned Costs

No matters were reported.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Mayor and Members of the City Council
City of Troy, New York

We have audited the basic financial statements of the City of Troy, New York as of and for the year ended December 31, 2008, and have issued our report thereon dated August 12, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Mayor, Members of the City Council, management, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Bollam Sheedy Torani & Co LLP

Albany, New York
August 12, 2009

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND REPORT OF INDEPENDENT CERTIFIED PUBLIC
ACCOUNTANTS ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Mayor and Members of the City Council
City of Troy, New York

Compliance

We have audited the compliance of the City of Troy, New York with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. The City's major federal programs are identified in the summary of independent auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the City of Troy, New York as of and for the year ended December 31, 2008, and have issued our report thereon dated August 12, 2009. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Mayor, Members of the City Council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bollam Sheedy Torani & Co. LLP

Albany, New York
August 12, 2009

CITY OF TROY, NEW YORK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2008

Section I - Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None Reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

_____ Yes X No

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

14.218	Community Development Block Grants - Entitlement Grant
14.248	Community Development Block Grants- Brownfields Economic Development Initiative- Section 108 Loan Guarantees
14.248	Community Development Block Grants- Section 108 Loan Guarantees
20.600	Highway Planning and Construction
20.604	Recreational Trails Program
97.044	Assistance to Firefighters Grant

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

CITY OF TROY, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2008

Section II - Financial Statement Findings

None noted.

Section III - Federal Awards Findings and Questioned Costs

None noted.